



THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

For year ended 31 December, 2010

CHAIRMAN'S REPORT

I am pleased to report that The National Gas Company of Trinidad and Tobago Limited (NGC) maintained its profitability in 2010, with Sales turnover of TT\$14 billion and after tax profits of TT\$2.1 billion.

These results are higher than those obtained in 2009 due to improvement in commodity prices. NGC's core business of purchase, transportation and sale of natural gas, as well as dividend income received from its key strategic investments in the liquefied natural gas (LNG) and natural gas liquids (NGL) business, remained stable. NGC continued its infrastructure development works to expand its offshore and onshore pipeline network.

In 2010 the Group revalued its pipelines and related facilities using an independent valuator. This exercise resulted in a revaluation surplus of TT\$1,576.6 million.

I am further pleased to advise that NGC continued to maintain its international reputation by having its credit rating re-confirmed by international and regional rating agencies Standard & Poor's (BBB+), Moody's (BAA1) and CariCRIS (Cari AAA).

Larry Howai
Chairman

INDEPENDENT AUDITORS REPORT

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2010, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and the related note, are derived from the audited financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries (the "Group") for the year ended 31 December 2010. We expressed an unmodified audit opinion on those financial statements in our report dated 24 August 2011. Those financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited financial statements of the Group. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited financial statements of the Group.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis as described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Group for the year ended 31 December 2010 are consistent, in all material respects, with those financial statements, on the basis described in Note 1.

Port of Spain
Trinidad
24 August 2011

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in Trinidad and Tobago dollars)

	2010 \$'000	2009 \$'000
Assets		
Non-Current Assets	17,431,729	13,242,607
Current Assets	13,335,711	13,482,962
Total Assets	<u>30,767,440</u>	<u>26,725,569</u>
Equity and Liabilities		
Stated Capital	1,855,266	1,752,848
Capital Subscribed	-	102,418
Reserves	2,637,681	1,381,004
Retained Earnings	14,966,743	13,458,830
Equity attributable to:		
- Equity holders of the Parent	19,459,690	16,695,100
- Minority Interests	440,154	333,610
Total Equity	19,899,844	17,028,710
Non-Current Liabilities	5,921,743	5,758,486
Current Liabilities	4,945,853	3,938,373
Total Equity and Liabilities	<u>30,767,440</u>	<u>26,725,569</u>

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Expressed in Trinidad and Tobago dollars)

	2010 \$'000	2009 \$'000
Sales	14,166,966	9,125,401
Gross profit	3,602,996	1,682,137
Other operating income	112,403	112,432
Interest and other investment income	702,896	1,070,807
Share of profit from joint venture	794,271	472,133
Finance costs	(381,741)	(291,772)
Administrative, maintenance and general expenses	(1,192,780)	(618,538)
Other	(337,656)	(111,335)
Profit before tax	3,300,389	2,315,864
Income tax expense	(1,206,941)	(603,432)
Profit for the year	<u>2,093,448</u>	<u>1,712,432</u>
Other comprehensive income		
Revaluation of pipeline (net of deferred tax)	1,024,831	-
Available-for-sale financial assets	196,852	223,060
Foreign currency translation	62,251	212,338
Other comprehensive income for the year, net of tax	<u>1,283,934</u>	<u>435,398</u>
Total comprehensive income for the year	<u>3,377,382</u>	<u>2,147,830</u>
Attributable to:		
- Equity holders of the Parent	3,164,590	1,985,572
- Minority interests	212,792	162,258
	<u>3,377,382</u>	<u>2,147,830</u>



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SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Expressed in Trinidad and Tobago dollars)

	Attributable to Equity Holders of the Parent					Total \$'000	Minority interests \$'000	Total equity \$'000
	Stated capital \$'000	Capital subscribed \$'000	Reserve fund \$'000	Other reserves \$'000	Retained earnings \$'000			
Year ended 31 December 2009								
Balance as at 1 January 2009	1,752,848	–	438,192	536,459	12,529,611	15,257,110	315,496	15,572,606
Total comprehensive income for the year	–	–	–	430,350	1,555,222	1,985,572	162,258	2,147,830
Transfer of depreciation for offshore plant and equipment and pipelines	–	–	–	(23,997)	23,997	–	–	–
Dividends	–	–	–	–	(650,000)	(650,000)	(144,144)	(794,144)
Capital subscribed	–	102,418	–	–	–	102,418	–	102,418
Balance as at 31 December 2009	<u>1,752,848</u>	<u>102,418</u>	<u>438,192</u>	<u>942,812</u>	<u>13,458,830</u>	<u>16,695,100</u>	<u>333,610</u>	<u>17,028,710</u>
Year ended 31 December 2010								
Balance at 1 January 2010	1,752,848	102,418	438,192	942,812	13,458,830	16,695,100	333,610	17,028,710
Total comprehensive income for the year	–	–	–	1,281,096	1,883,494	3,164,590	212,792	3,377,382
Transfer of depreciation for offshore plant and equipment and pipelines	–	–	–	(24,419)	24,419	–	–	–
Dividends	–	–	–	–	(400,000)	(400,000)	(106,248)	(506,248)
Capital subscribed	102,418	(102,418)	–	–	–	–	–	–
Balance as at 31 December 2010	<u>1,855,266</u>	<u>–</u>	<u>438,192</u>	<u>2,199,489</u>	<u>14,966,743</u>	<u>19,459,690</u>	<u>440,154</u>	<u>19,899,844</u>

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (Expressed in Trinidad and Tobago Dollars)

	2010 \$'000	2009 \$'000
Cash flows from operating activities		
Profit before tax	3,300,389	2,315,864
Adjustment for non-cash items	(21,904)	(307,923)
Operating profit before working capital changes	3,278,485	2,007,941
Changes in working capital	139,811	(308,416)
Cash generated from operations	3,418,296	1,699,525
Net taxation, interest and pension contributions paid	(1,447,104)	(808,238)
Net cash generated from operating activities	1,971,192	891,287
Net cash used in investing activities	(211,104)	1,261,237
Net cash used in financing activities	(708,073)	(1,256,861)
Net increase in cash and cash equivalents	1,052,015	895,663
Net foreign exchange differences	12,946	81,049
Cash and cash equivalents beginning of year	2,405,690	1,428,978
Cash and cash equivalents end of year	<u>3,470,651</u>	<u>2,405,690</u>

NOTE

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of The National Gas Company of Trinidad & Tobago Limited and its subsidiaries for the year ended 31 December 2010 prepared in accordance with International Financial Reporting Standards.